

PRESS RELEASE

**COSTAMP GROUP:
THE BOARD OF DIRECTORS APPROVES THE HALF-YEARLY
FINANCIAL REPORT AT 30 JUNE 2019**

Main consolidated results at 30 June 2019

- **Production value: 28.7 million Euros**
- **EBITDA: 2.9 million Euros**
- **EBITDA margin: 10.2%**
- **EBIT: 1.2 million Euros**
- **Net profit: 0.6 million Euros**
- **Net financial position: 28.6 million Euros**
- **Net worth: 23.6 million Euros**

Sirone (LC), 27 September 2019

The Board of Directors of the **Costamp Group** (MOLD IM), a company listed on the AIM Italia stock exchange, a leading company in the design, production and sale of moulds (HPDC, LPDC & Gravity, Plastic) for automotive components, today approved the consolidated half-year financial report as at 30 June 2019.

Marco Corti, Chairman and Managing Director of the **Costamp Group**: *“We are satisfied with the results obtained in the first half of 2019, especially in light of the situation in the automotive market, which has had a major slowdown worldwide. In fact, the company recorded an EBITDA margin of 10.20% in line with expectations, a significant improvement compared to the end of the 2018 financial year, which was affected by order cancellations and write-downs of receivables linked to the LPDC division subject of the transaction of a Reverse Take-Over. The result indicates that the path to integration that has been undertaken is correct. In the half-year, the 100% acquisition of Modelleria Ara was completed, aimed at strengthening the company’s leadership in the national market and expanding the range of products. The company has also strengthened its Research & Development commitments with the aim of developing new technologies and new production processes to contribute, in the short term, to supporting future growth and which should lead to important collaborations in the second half of the year. Thanks to these results and the good future prospects, with an order portfolio as at 30 June 2019 which stood at 54.8 million Euros compared to 46.0 million Euros at 30 June 2018, investments in plant and machinery will continue at order to support new technologies. The increase in NFP is largely due to the use of self-liquidating funds to support the start-up of several high value orders that will be completed in the second half of 2019, in addition to the application of the new IRFS16 accounting principles on long-term rentals.”*

Main consolidated results at 30 June 2019

The consolidated half-year financial report as at 30 June 2019 includes the balance sheet, income statement and financial position of the Parent Company, Costamp Group S.p.A., as well as the subsidiary Modelleria Ara S.r.l.

The figures as at 30 June 2019 are not comparable with those as at 30 June 2018 due to the extraordinary operations the Group was involved in during the previous year (including the Reverse Take-Over operation of Costamp Group SpA, formerly Modelleria Brambilla S.p.A. and the issuer AIM, and Costamp Tools S.r.l., finalised on 21 February 2018).

For the purpose of a better representation of operating performance, the consolidated income statement as at 30 June 2019 was therefore compared, on a like-for-like basis, with the pro-forma consolidated income statement as at 30 June 2018.

The **Production Value** was 28.7 million Euros, compared to 31.4 million Euros at 30 June 2018 pro-forma; this result should be interpreted in light of the slowdown in the automotive industry during the last quarter of 2018 and the early months of 2019, conditioned by the known uncertainties on the automotive market. 60% of turnover was realised in Italy, the remaining 40% derived from commercial transactions concluded in the rest of Europe (36%), North America (Mexico and USA, 3%) and Asia (India, China and Korea, for the remaining 1%).

The **Gross Operating Margin (EBITDA)** amounted to 2,9 million Euros, with an **EBITDA margin** of 10.2% (2.8 million Euros at 30 June 2018 pro-forma with 8.9% EBITDA margin). Once the Reverse Take-Over operation was completed, which the company was involved in over the last two years, 2019 is the first that sees the companies involved as the only entity and this has allowed a recovery of efficiency. The integration process of the Correggio Business Unit (LPDC Division) will be fully operational by the end of the year.

The **Net Operating Margin (EBIT)** was 1.2 million Euros, with an **EBIT margin** of 4.2% (1.6 million Euros at 30 June 2018 pro-forma with an EBIT margin of 5.1%).

Pre-tax profit amounted to 0.8 million Euros (1.1 million Euros at 30 June 2018 pro-forma) with a net profit of 0.6 million Euros (0.80 million Euros at June 30th 2018 pro-forma).

The **Net Financial Position** was 28.6 million Euros (21.8 million Euros at 31 December 2018 pro-forma). The adoption of the new IFRS 16 accounting standard influenced the change in the Net Financial Position in the amount of 3.3 million Euros, which also includes long-term rental contracts recorded as financial liabilities.

Significant events in the semester and after the end of the period

Modelleria ARA

On 15 February 2019, the Costamp Group completed the acquisition of the remaining 49% of the share capital of Modelleria ARA S.r.l., a Group company involved in the manufacture of models and moulds for the foundry sector, bringing its shareholding to 100%.

This transaction took place through the acquisition by Costamp Group of the shares held by the four selling shareholders, each equal to 12.25% of the share capital of Modelleria ARA S.r.l., for a total

value of € 900,000, with a cash payment of € 850,000 and, for the remaining € 50,000 through the Costamp Group's own shares.

Modelleria ARA is strategic in strengthening the leadership on the national market and expanding the range to the development and production of high quality mechanical models and moulds in all types of materials (wood, resins, aluminium, cast iron and steel) which are then sold to Foundries that use them to produce their own finished products.

Based in San Giovanni in Persiceto (BO), it was founded in 1976 as a small artisan company and carries out its activity in relation to foundry models and printed materials. Over time, it became increasingly specialised in this field, paying attention to the progress of production systems and acquiring a staff of highly qualified technicians constantly up to date in regard to new technologies. With the help of numerically controlled machines with high productivity and precision, the company is now able to produce models in metal, wood and resin of small and medium size as well as trimming masks and gravity shells for light alloys. During these years of its business activity, Modelleria ARA consolidated its collaboration with leading companies in different industries, such as those producing centrifugal pumps, speed reducers, hydraulic distributors and the automotive, motorcycle and agriculture sectors.

The Group's order portfolio at 30 June 2019

The value of the Group's order portfolio at 30 June 2019 is equal to 54.8 million Euros (0.60 million Euros at 30 June 2018). The current agreements relating to the order portfolio envisage the delivery of the related orders by the end of the 2020 financial year. This objective was also achieved thanks to the company's participation in June 2019 at the "GIFA" trade fair in Düsseldorf, when commercial agreements were finalised for the overall value of approximately 26,6 million Euros and, in particular:

- High Pressure Division (HPDC): commercial agreements with RENAULT, NEMAK, SHILOH, SIRA, ENDURANCE and FONDITAL finalised for the overall value of 17.1 million Euros. The moulds that will be supplied to the NEMAK Group will be manufactured using the new "PUZZLE DIE", a technology developed by the Costamp Group's R&D department and covered by an international patent application;
- Low Pressure Division (LPDC): commercial agreements were finalised with the TMB Group, VOLKSWAGEN, FERRARI and BMW for the overall value of 5.5 million Euros;
- Plastics Division (PLASTIC): commercial agreements with the FCA Group were finalised for the overall value of 4.0 million Euros.

Predictable operating development

Following the aggregation process with Modelleria Brambilla S.p.A., the Group is proceeding to improve the production synergy of the production sites in Sirone (LC), Rivalta di Torino (TO) and Correggio (RE), with the recovery of internal efficiency. These productive poles will be interchangeable for production purposes for a better and more efficient rationalization of the whole planning and production mechanism. An improvement in the commercial strategy is also conceivable, for more widespread and incisive coverage on the international market. With regards to growth programs for external markets, the company will also seek to consolidate relations with existing partners.

Convertible bonds "Costamp Group Convertibile 7%. 2016-2019"



The bond called "Costamp Group Convertible 7%. 2016-2019" was originally issued for 1,500,000 Euros (one million five hundred thousand/00). This bond provides for an annual interest payment due on 5 December each year. The issuance of the bond also provided for a conversion right. This bond will expire on 5 December 2019. As of June 30, 2019, the bond debt is in the amount of 947,171 Euros.

The consolidated financial report at 30 June 2019 will be made available to the public within the terms and in the manner prescribed by the AIM Italia stock market Issuers Regulation, as well as on the company's website www.costampgroup.it, in the Investor Relations section.

THE COSTAMP GROUP (MOLD IM) is a leading company in the design, engineering and production of moulds for components in the automotive industry. With over 50 years of history and 311 employees, it is a main partner and strategic supplier, through the foundries, of the main car manufacturers. Worldwide it is the only player able to provide a complete range of processes (HPDC, LPDC & Gravity, Plastic) and products (aluminium, magnesium, cast iron and plastic): the main applications in the automotive field, which represents 95% of turnover, are the manufacturing of powertrains, structural parts and bumpers. The Costamp Group oversees the entire value chain, working directly with the OEMs in the design and development phases and providing customers with products that are fully tested in the internal foundry and software solutions for their use. The R&D department, with a team of 24 engineers, has developed innovative solutions capable of anticipating the needs of the market and is currently working on the PUZZLE DIE project, partially funded by Horizon 2020, aimed at extending the life-cycle of moulds and improving the quality of the pieces produced. Design and production are entirely carried out in Italy in the factories of Sirone (LC), Correggio (RE), Rivalta di Torino (TO), Azzano Mella (BS), Brescia (BS) and San Giovanni in Persiceto (BO).

ISIN ordinary shares: IT0005068249 – ISIN "Costamp Group Convertibile 7% 2014-2019": IT0005068645

Press release available at www.costampgroup.it e www.linfo.it

CONTACTS

INVESTOR RELATIONS

IR Top Consulting | Maria Antonietta Pireddu | m.pireddu@irtop.com | T +390245473884 | Via C. Cantù, 1 Milan

FINANCIAL MEDIA RELATIONS

IR Top Consulting | Domenico Gentile | d.gentile@irtop.com | T +390245473884 | Via C. Cantù, 1 Milano

NOMAD

Banca Intermobiliare di Investimenti e Gestioni | corporatefinance@bancaintermobiliare.com | T +390299968111 | Via Meravigli, 4 Milan

SPECIALIST

Invest Banca | negoiazione@investbanca.it | T +3905715331301 | Via L. Cherubini, 99 Empoli (FI)

CORPORATE BROKER

Invest Italy SIM | corporatefinance@investbanca.it | T +39 02 47706694 | Via San Clemente, 1 Milan

CONSOLIDATED PROFIT AND LOSS ACCOUNT

| Thousands of Euros | 30/06/2019 | | 30/06/2018 pro-forma* | | 30/06/2018 | |
|---------------------------------|---------------|--------|-----------------------|--------|---------------|--------|
| Revenue from sales and services | 27,691 | | 30,162 | | 27,726 | |
| Other income | 1,020 | | 1,287 | | 1,204 | |
| Total production value | 28,711 | | 31,450 | | 28,930 | |
| Production costs | -17,190 | | -20,218 | | -18,633 | |
| Other operational charges | -302 | | -318 | | -281 | |
| ADDED VALUE | 11,219 | 39,08% | 10,913 | 34.70% | 10,016 | 34.62% |
| Personnel costs | -8,277 | | -8.105 | | -7.398 | |
| EBITDA | 2,942 | 10,25% | 2,808 | 8.93% | 2,618 | 9.05% |
| Depreciation and devaluations | -1,739 | | -1,198 | | -1,078 | |
| OPERATING MARGIN (EBIT) | 1,203 | 4,19% | 1,610 | 5.12% | 1,540 | 5.32% |
| Financial income and expenses | -405 | | -477 | | -399 | |
| Write-down of financial assets | 0 | | -1 | | -1 | |
| PRE-TAX PROFIT | 798 | | 1,132 | | 1,140 | |
| Taxes on financial year revenue | -187 | | -348 | | -354 | |
| FINANCIAL YEAR PROFIT | 610 | | 785 | | 786 | |

* data prepared for comparative purposes not subject to audit

CONSOLIDATED BALANCE SHEET

| Euros | 30/06/2019 | 31/12/2018 |
|---|--------------------|--------------------|
| Intangible fixed assets | 9,409,250 | 9,172,661 |
| Tangible fixed assets | 39,666,606 | 37,396,539 |
| Real estate investments | 2,223,814 | 2,252,428 |
| Financial fixed assets | 496,570 | 493,069 |
| A) Total net intangible fixed assets | 51,796,240 | 49,314,697 |
| Inventories | 15,158,339 | 13,245,186 |
| Receivables from customers | 11,428,612 | 7,899,753 |
| Receivables from others (including deferred tax assets) | 3,750,424 | 3,386,118 |
| Other operational activities | 83,909 | 425,663 |
| Payables to suppliers | -14,597,911 | -14,913,715 |
| Other debts | -9,649,574 | -8,383,984 |
| Deferred tax liabilities | -4,439,300 | -4,642,067 |
| B) Total financial year capital | 1,734,499 | -2,983,046 |
| C) INVESTED CAPITAL (A+B) | 53,530,739 | 46,331,651 |
| D) EMPLOYEE SEVERANCE PAY | -1,248,641 | -1,538,101 |
| E) NET CAPITAL REQUIREMENT (C+D) | 52,282,098 | 44,793,550 |
| covered by | | |
| F) OWN CAPITAL | -23,640,658 | -23,035,522 |
| Share capital | -2,130,272 | -2,130,272 |
| Reserves | -20,900,123 | -22,527,839 |
| Results carried forward | 0 | -57,037 |
| Operating result | -610,263 | 1,679,626 |
| G) NET FINANCIAL POSITION | -28,641,440 | -21,758,026 |
| Medium-long financial debts | -19,694,901 | -16,022,631 |
| Short-term financial payables | -18,431,279 | -12,890,419 |
| Cash on hand | 9,484,740 | 7,155,024 |
| H) TOTAL AS IN "E" (F+G) | -52,282,098 | -44,793,548 |

CONSOLIDATED FINANCIAL STATEMENTS

| Thousands of Euros | 30/06/2019 | 30/06/2018 |
|---|---------------|--------------|
| Pre-tax profit | 798 | 1,140 |
| Adjustments for: | | |
| Depreciation of: | | |
| - intangible assets | 310 | 101 |
| - tangible assets | 1,429 | 977 |
| Impairment losses / (reversals) | | |
| Provisions for risks and charges | | 22 |
| (Income) / Financial charges | 405 | 399 |
| (Gains) / Losses and other non-monetary items | 133 | 92 |
| Cash flow from operating activities before changes in net working capital | | |
| Increase / (Decrease) benefits for employees | -289 | |
| (Increase) / Decrease in inventories | -1,913 | 3,283 |
| (Increase) / Decrease in trade receivables | -3,529 | 877 |
| (Increase) / Decrease in other assets / liabilities and assets / liabilities for prepaid / deferred taxes | 503 | -146 |
| Increase / (Decrease) in trade payables | -316 | -2,821 |
| Dividends collected | | |
| Interest income and other financial income received | 1 | |
| Interest expense and other financial charges paid | -406 | |
| Use of provisions for risks and charges and the bad debt provision | | |
| Taxes paid | 0 | -332 |
| Cash flows from operating activities (a) | -2,874 | 3,592 |
| Net investments in intangible assets | -397 | -237 |
| Net investments in tangible assets | -793 | -2,526 |
| Net costamp integration operation | | 0 |
| Net investments in equity investments | | 2,163 |
| (Increase) / Decrease in other investment activities | 342 | -6 |
| Cash flow from investment / disinvestment activities (b) | -848 | -606 |
| Increase in financial debts | 10,094 | 1,291 |
| Financial repayments and other net changes) | -4,041 | 0 |
| Payments on capital account and contribution | | |
| Dividends paid | | |
| Cash flow from financial activities (c) | 6,053 | 1,291 |
| Effect of changes in exchange rates on cash and cash equivalents (d) | | |
| <i>Increase / (decrease) in cash and cash equivalents (a+b+c+d)</i> | <i>2,331</i> | <i>4,277</i> |
| Cash and cash equivalents at the beginning of the financial year | 7,155 | 5,344 |
| Cash and cash equivalents at the end of the financial year | 9,485 | 9,621 |